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March 5, 2014

Gregory F. Hahn
BOSE McKINNEY & EVANS, LLP
111 Monument Circle, Suite 2700
Indianapolis, IN 46204

Re: IURC Rate Case
Cause No. 44450 – Indiana American Water Co.

Dear Greg:

Enclosed please find the signed engagement letter for legal services / accounting services in the above-referenced matter. Thank you.

Sincerely,

Kris Uhler
Paralegal

:kau

Enclosure

cc: ✓ Judith Rhodes, Clerk-Treasurer (w/enclosure)
Dave Buck, Public Works Director (w/enclosure)

RECEIVED

MAR 06 2014

CLERK - TREASURER

**BOSE
McKINNEY
& EVANS LLP**

ATTORNEYS AT LAW

March 4, 2014

PRIVILEGED AND CONFIDENTIAL

John R. Dennis
City of West Lafayette
609 W. Navajo Street
West Lafayette, IN 47906

Eric H. Burns, Esq.
Withered Burns, LLP
8 North Third Street, Suite 401
P.O. Box 499
Lafayette, IN 47901

Re: Engagement Letter for Legal Services / Accounting Services in
connection with the Indiana Utility Regulatory Commission Rate Case
Cause No. 44450 filed by Indiana American Water Company

Dear Mr. Dennis and Mr. Burns:

We are pleased that the City of West Lafayette has agreed to join a group of municipal and rural water utilities that Bose McKinney & Evans and London Witte Group are attempting to form to oppose Indiana American's requested increase in water revenue. Bose McKinney & Evans will be providing legal services in representing this group and London Witte Group will be providing accounting services in representing this group. This letter confirms the terms on which both Bose McKinney & Evans and London Witte Group have agreed to represent you as part of this intervenor group.

For purposes of putting this engagement of our representation in context, Indiana American has filed a request before the Indiana Utility Regulatory Commission in Cause No. 44450 to increase its overall operating revenue by approximately 9.84%. While Indiana American proposes to allocate this overall increase differently among its various customer classes such as residential, commercial, sales for resale, and public fire service; the overall increase appears to range from 9.84 to 26.4%. Residential customers that are served in your community appear to be facing a 16.8% increase. We note that historically some intervenors before the IURC focus solely on the impact to their individual communities. Both Bose McKinney & Evans and London Witte Group believe a better approach is to object to the overall increase and thus attempt to reduce any new revenue allowed. In the current case our initial review found that Indiana American is requesting return on equity at 10.8%. As a regulated utility with a monopoly service area, this appears to be high in light of recent decisions by the IURC.

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For the services of Bose McKinney & Evans and London Witte Group before the IURC in this cause, we anticipate that L. Parvin Price will be the lead attorney, and Theodore J. Sommer will be the lead accountant. Based on their experience, and the anticipated work before the IURC, we have estimated that a flat fee of \$10,000 to the City of West Lafayette for its participation in this group would be reasonable.

We would also note that Bose McKinney & Evans and London Witte Group may from time to time use other lawyers or accountants within their respective firms other than the leads referenced above in connection with this engagement where appropriate. However other than any expense to a third party such as a court reporter for transcripts of any hearing in this cause, we anticipate that the above fee would cover all of your expenses before the IURC. If a final order in this cause would be appealed; or if the Commission would establish another proceeding from the one described above; we would consider these to be separate matters not included in the flat fee described above. However we would be in contact with you to determine if you would want to continue to participate in those separate matters. (We would note that the IURC has established one sub-docket under this cause which is included in the flat fee described above).

Our invoices are generally issued periodically as this cause proceeds before the IURC. Our expectation is that any invoice will be paid within 30 days after the invoice date. Prompt payment is a condition of our continued representation. We reserve the right to charge interest at the rate of 1-1/2% per month (18% annual percentage rate) on any balance of an invoice not paid within 30 days of the invoice date. Obviously, we do not anticipate any problems in collection, and we hope that you will contact us directly if you have any questions or concerns about any invoice you receive from us.

You have the right to terminate our representation at any time. We may also terminate our representation at any time for any reason consistent with the Rules of Professional Conduct, including but not limited to the non-payment of fees or expenses or other failure to comply with the terms of our engagement as described in this letter. In the event of termination of our representation for any reason, you will be responsible for all fees and other amounts incurred in connection with our representation up to the date of termination, and for all fees and other amounts incurred to transfer the work to your new attorney.

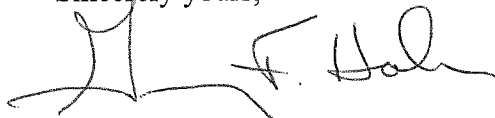
After our engagement on this matter ends, we will maintain our file on this matter in accordance with our document retention policy. That policy provides for destruction of our file without further notice after a designated period, typically a period of ten (10) years. At your request during or subsequent to our engagement on this matter and prior to destruction of the file, we will provide copies of any documents from our file which you have furnished us in connection with this matter.

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This letter relates specifically to the terms of our engagement in connection with your intervention in Cause No. 44450 in the matter of Indiana American Water before the Indiana Utility Regulatory Commission. If you wish to retain us for other matters and we accept any such representation, we may require that a separate engagement letter be executed for any such other matter, which may contain terms different than those contained in this letter.

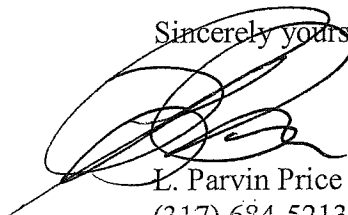
If you have any questions or concerns about this letter, please feel free to call either of the undersigned to discuss. If you agree to the terms of our representation as stated in this letter, please sign the enclosed copy of this letter and return it to our office. We look forward to working with you.

Sincerely yours,



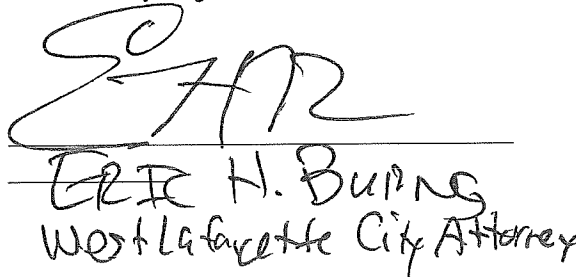
Gregory F. Hahn
(317) 684-5127

Sincerely yours,



L. Parvin Price
(317) 684-5213

ACCEPTED AND AGREED TO THIS 5th DAY OF MARCH, 2014.



ERIC H. BURNS
West Lafayette City Attorney

LLP/jb

Enclosure

cc: Theodore J. Sommer
London Witte Group
1776 North Meridian Street, Suite 500,
Indianapolis, IN 46204
(317) 634-4747

cc: Ms. Christine Birch, Chief Financial Officer

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